

12-11

**ORDINANCE OF THE BOROUGH OF MERCHANTVILLE,
COUNTY OF CAMDEN, STATE OF NEW JERSEY
AUTHORIZING A LONG TERM TAX EXEMPTION
AGREEMENT BETWEEN THE BOROUGH OF
MERCHANTVILLE AND CITADEL WELLWOOD URBAN
RENEWAL LLC PURSUANT TO N.J.S.A. 40A:20-1 ET SEQ.**

WHEREAS, Citadel Wellwood Urban Renewal LLC (the “Sponsor”) proposes to extensively rehabilitate a certain fifty-four (54) unit apartment complex (the “Project”) within the Borough of Merchantville (the “Borough”), on a site described as Lots 2 and 3, Block 9 as shown on the Official Tax Map of the Borough of Merchantville, and commonly known as 606 West Maple Avenue, Merchantville, New Jersey; and

WHEREAS, the Project will qualify for a tax exemption and/or abatement under the Long Term Tax Exemption Law; and

WHEREAS, the Sponsor has presented to the Borough Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

WHEREAS, the Borough Council of the Borough of Merchantville deems it in the best interests of the Borough to grant a tax exemption and/or abatement under the Long Term Tax Exemption Law to Citadel Wellwood Urban Renewal LLC, relative to its extensive rehabilitation of the fifty-four (54) unit apartment complex located at 606 West Maple Avenue in the Borough of Merchantville;

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Merchantville, as follows:

ARTICLE I.

A. The Council authorizes the execution of an agreement substantially in the form attached hereto as Exhibit “B” and made a part hereof authorizing an in lieu tax payment of seven (7.00) percent of the gross shelter rent of the Project, subject to the provisions of Section 5 of the Agreement; and

B. The Council hereby authorizes and directs the Mayor of the Borough to execute, on behalf of the Borough, the agreement attached hereto as Exhibit “B”; and

C. The Council understands and agrees that the revenue projections set forth in Exhibit “A” are estimates and the actual payments in lieu of taxes to be paid by the Sponsor to the Borough shall be determined pursuant to the Agreement; and

D. The Council understands that the Sponsor has formed an urban renewal entity limited liability company, and that the Borough may enter into the payment in lieu of taxes agreement with such urban renewal entity limited liability company,

ARTICLE II.

The Municipal Clerk is hereby authorized to forward a certified true copy of this Ordinance to Citadel Wellwood Urban Renewal LLC, c/o DePetro Real Estate Organization, LLC, 201 Union Lane, Suite B, Brielle, New Jersey 08730. The Municipal Clerk is hereby authorized to forward a certified true copy of this Ordinance, and the Financial Agreement implementing it, to both the Municipal Tax Assessor and the Director of the Division of Local Government Services.

ARTICLE III.

All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

ARTICLE IV.

This Ordinance shall take effect upon passage and publication according to law.

THE BOROUGH OF MERCHANTVILLE

BY: _____
FRANK M. NORTH, MAYOR

ATTEST:

DENISE BROUSE, BOROUGH CLERK

The foregoing ordinance was introduced by Mayor and Council at the regular meeting held on July 9, 2012. This Ordinance will be considered for adoption on final reading and public hearing to be held on August 13, 2012 at 7:30 p.m. in the Council Chambers, Borough Hall, One West Maple Avenue, Merchantville, New Jersey 08109.

The purpose of this Ordinance is authorize the Mayor and Borough Clerk to execute a Financial Agreement under the Long Term Tax Exemption Law with Citadel Wellwood Urban Renewal Entity LLC, providing for a long term tax exemption and/or tax abatement relative to its extensive rehabilitation of the fifty-four (54) unit apartment complex located at 606 West Maple Avenue in the Borough of Merchantville. A copy of this Ordinance is available at no charge to the general public between the hours of 8:30 AM to 4:30 PM, Monday through Friday (Legal Holidays excluded), at the Office of the Borough Clerk, Borough Hall, One West Maple Avenue, Merchantville, New Jersey 08109.

**606 WEST MAPLE AVENUE, MERCHANTVILLE
AGREEMENT FOR PAYMENT IN LIEU OF TAXES**

EXHIBIT A

Projected Annual Gross Rents	\$424,550
Proforma Vacancy at 5%	(\$21,227)
Commercial (Laundry) Income	\$10,000
Project Revenues	\$413,323
Payment in Lieu Percentage - Residential	7.00%
Payment Lieu Percentage – Commercial	15.00%
Annual Projected Payment in Lieu Amount	\$29,733

Minimum Annual Payments in Lieu of Taxes

Estimated PILOT Payment

Year 1	\$	29,733
Year 2	\$	30,327
Year 3	\$	30,934
Year 4	\$	31,552
Year 5	\$	32,183
Year 6	\$	32,827
Year 7	\$	33,484
Year 8	\$	34,153
Year 9	\$	34,836
Year 10	\$	35,533
Year 11	\$	36,244
Year 12	\$	36,969
Year 13	\$	37,708
Year 14	\$	38,462

Year 15	\$	39,231
Year 16	\$	40,016
Year 17	\$	40,816
Year 18	\$	41,633
Year 19	\$	42,465
Year 20	\$	43,315
Year 21	\$	44,181
Year 22	\$	45,065
Year 23	\$	45,966
Year 24	\$	46,885
Year 25	\$	47,823
Year 26	\$	48,779
Year 27	\$	49,755
Year 28	\$	50,750
Year 29	\$	51,765
Year 30	\$	52,800